

Regular Session, 2009

HOUSE BILL NO. 693

BY REPRESENTATIVE GREENE

TAX CREDITS: Provides relative to the motion picture investor tax credit for certain state-certified infrastructure projects

1 AN ACT

2 To amend and reenact Section 3(C) of Act No. 456 of the 2007 Regular Session of the  
3 Legislature, relative to motion picture investor tax credits; to provide relative to the  
4 amount of the tax credit for certain state-certified infrastructure projects; to provide  
5 relative to certain requirements and limitations; to provide relative to the payment  
6 of tax credits; to provide for an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. Section 3(C) of Act No. 456 of the 2007 Regular Session of the  
9 Legislature is hereby amended and reenacted to read as follows:

10 Section 3.(A)

11 \* \* \*

12 (C) ~~An application for an infrastructure project filed on or before August 1,~~  
13 ~~2007, shall have twenty-four months from the date of approval of the rules or~~  
14 ~~January 1, 2008, whichever is earlier, in which to qualify for the forty percent tax~~  
15 ~~credits earned on expenditures. Tax credits on infrastructure projects shall be~~  
16 ~~considered earned in the year in which expenditures are made, provided that a~~  
17 ~~minimum of twenty percent or ten million dollars of the total base investment~~  
18 ~~provided for in the initial certification that is unique to film production infrastructure~~  
19 ~~shall be expended before infrastructure tax credits can be earned on expenditures.~~  
20 ~~The payment of tax credits may extend beyond or be made after the year~~

~~expenditures are made.~~ Notwithstanding any other provision of this Section, an infrastructure project for which an application was filed on or before August 1, 2007, that has received an initial certification letter from the division, the Department of Economic Development, and the office, by December 31, 2009, shall be entitled to receive credits equal to forty percent of the base investment expended in the development of the state-certified infrastructure project until the project is completed, provided that a minimum of twenty percent or ten million dollars of the total base investment established by the initial certification letter, whichever is less, shall be expended on infrastructure unique to Louisiana film, video, television, and digital production and post-production infrastructure no later than June 30, 2010. No tax credits shall be considered for final certification unless and until the minimum of twenty percent or ten million dollars of the total base investment established by the initial certification letter, whichever is less, has been expended on infrastructure unique to Louisiana film, video, television, and digital production and post-production infrastructure. If a project fails to obtain an initial certification letter or fails to expend the minimum of twenty percent or ten million dollars of the total base investment established by the initial certification letter, whichever is less, on infrastructure unique to Louisiana film, video, television, and digital production and post-production infrastructure by June 30, 2010, then no expenditures shall be entitled to earn tax credits. Tax credits on infrastructure projects shall be considered earned in the year in which expenditures are made. The payment of tax credits may extend beyond or be made after the year expenditures are made.

Section 2. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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Greene

HB No. 693

**Abstract:** Provides that an infrastructure project that received an initial certification letter by Dec. 31, 2009, shall be entitled to receive credits equal to 40% of the base investment until the project is completed provided that a certain portion of the base investment is expended by June 30, 2010.

Present law authorizes, beginning July 1, 2005, and ending on Jan. 1, 2009, the issuance of motion picture investor tax credits against state income tax for state-certified infrastructure projects which meet the criteria provided for in present law and which are approved by the office of entertainment industry development in the Dept. of Economic Development (DED), the secretary of DED, and the division of administration. Further provides that the tax credit shall be equal to 40% of the base investment expended in this state on a state-certified infrastructure project in excess of \$300,000; however, the total tax credit allowed for any state-certified infrastructure project shall not exceed \$25 million.

Present law provides that the approvals and the requirements for state-certified infrastructure projects in present law shall be required for any state-certified infrastructure project which has not applied for initial certification or pre-certification prior to Aug. 1, 2007.

Present law provides that an application for an infrastructure project filed on or before Aug. 1, 2007, shall have 24 months from the date of approval of the rules or Jan. 1, 2008, whichever is earlier, to qualify for the 40% tax credits earned on expenditures. Tax credits on infrastructure projects shall be considered earned in the year in which expenditures are made, provided that a minimum of 20% or \$10 million of the total base investment provided for in the initial certification that is unique to film production infrastructure shall be expended before infrastructure tax credits can be earned on expenditures. The payment of tax credits may extend beyond or be made after the year expenditures are made.

Proposed law clarifies present law by providing that an infrastructure project for which an application was filed on or before Aug. 1, 2007, that has received an initial certification letter from the division, the DED, and the office, by Dec. 31, 2009, shall be entitled to receive credits equal to 40% of the base investment expended in the development of the state-certified infrastructure project until the project is completed, provided that a minimum of 20% or \$10 million of the total base investment established by the initial certification letter, whichever is less, shall be expended on infrastructure unique to Louisiana film, video, television, and digital production and post-production infrastructure no later than June 30, 2010.

Proposed law provides that if a project fails to obtain an initial certification letter or fails to expend the minimum of 20% or \$10 million of the total base investment established by the initial certification letter, whichever is less, by June 30, 2010, then no expenditures shall be entitled to earn tax credits.

Proposed law provides that no tax credits shall be considered for final certification unless and until the minimum of 20% or \$10 million of the total base investment established by the initial certification letter, whichever is less, is expended.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends Section 3(C) of Act No. 456 of the 2007 R.S.)